

January 16, 2004

The Honorable Marvin J. Garbis
United States District Court
for the District of Maryland
101 West Lombard Street
Baltimore, Maryland 21201

Re: Plumbers & Steamfitters Local 486 Medical Fund v. Rita L. Books, et al.
Civil Action No. MJG 03-219

Dear Judge Garbis:

In response to your Order dated December 18, 2003, the parties have exchanged information regarding the offset issue. The Books have submitted their itemized list of claims incurred since the beginning of this litigation. In turn, the Fund's staff have reviewed this list and have provided to the Books a report of the benefits the Fund would have paid on those claims, based upon the Plan's design. At this point, counsel for the parties have reviewed and discussed the claims, and would like to confer further with their clients in order to resolve the remaining issues.

Counsel for both parties believe that this matter is likely to be concluded after further discussions with their respective clients. Therefore, counsel anticipate that they will be able to report to the Court regarding the final resolution of this matter on or before Friday, February 6, 2004. Thank you for your cooperation and assistance in resolving this matter.

Very truly yours,

/ S /

Kimberly L. Bradley

KLB/jkd

cc: Nathaniel Fick